

Message Text

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PAGE 01 STATE 067523
ORIGIN ARA-10

INFO OCT-01 ISO-00 COME-00 EB-08 L-03 CIAE-00 INR-07
NSAE-00 /029 R

DRAFTED BY CO/BIC/OIM:JBLOW:STATE/ARA/ECP:MSLUCY:PAM
APPROVED BY ARA/ECP:JO'MAHONY
COM/BIC/OIM:JTDYOYLE/AD/EM
COM/RGARNITZ/DIR/OIM
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STATE/EB/IFD/BP:SALLEN
ARA/ECP:DTAHER
ARA/ECA:TSHUGART

-----261942Z 127988 /50

R 260319Z MAR 77
FM SECSTATE WASHDC
TO AMCONSUL RIO DE JANEIRO
INFO AMEMBASSY BRASILIA
AMCONSUL SAO PAULO

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RIO DE JANEIRO FOR E/C JONES

E.O. 11652: N/A

TAGS: BEXP, BR

SUBJECT: TECHNOLOGY TRANSFER REGULATIONS: DATA GENERAL
CORPORATION

1. DATA GENERAL CORPORATION, A MASSACHUSETTS FIRM PRODUCING SMALL/MEDIUM RANGE COMPUTER SYSTEMS, HAS CONTACTED USDOC, THE DEPARTMENT AND THE MASSACHUSETTS CONGRESSIONAL DELEGATION CONCERNING RECENT DIFFICULTIES IT HAS EXPERIENCED IN NEGOTIATING A LICENSING ARRANGEMENT.
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MENT FOR ITS MINICOMPUTER SYSTEMS IN BRAZIL.

2. A WHOLLY OWNED SALES SUBSIDIARY, DATA GENERAL, LTDA, WAS ESTABLISHED IN 1975 IN SAO PAULO FOR THE SALE OF THE COMPANY'S PRODUCTS IN BRAZIL. THE FIRM WAS IN RECENT CONTRACT NEGOTIATIONS (LAST FALL--DATE UNKNOWN) WITH THE BRAZILIAN GOVERNMENT VENTURE OF COBRA/DIGIBRAS/BRADESCO.

(THE COBRA OFFICIALS INVOLVED WERE: CARLOS AUGUST RODRIGUES DE CARVALHO, EXECUTIVE VICE PRESIDENT, AND JOSE CLAUDIO BELTRAO FREDERICO, DIRECTOR PRESIDENT. THEY ARE LOCATED AT COBRA, COMPUTADORES E SISTEMAS BRASILEIROS, S.A. LARGO DOS LEONES, 15-19 ANDAR, RIO DE JANEIRO, TEL. 246-7732.)

3. THE OBJECTIVE OF THE NEGOTIATIONS WAS TO ARRANGE A MANUFACTURING LICENSE COVERING CURRENT PRODUCTS AS WELL AS FUTURE PRODUCTS UNDER DEVELOPMENT BY DATA GENERAL. DATA GENERAL INFORMS US THAT IT TERMINATED DISCUSSIONS BECAUSE THE GOB, THROUGH DIGIBRAS, DEMANDED THAT OWNERSHIP OF DATA GENERAL TECHNOLOGY BE TRANSFERRED TO COBRA AT THE END OF THE LICENSE PERIOD. THESE CONDITIONS INCLUDED UNRESTRICTED OWNERSHIP OF BOTH COMPUTER HARDWARE AND SOFTWARE FOR MANUFACTURE, SALE AND EXPORT TO OTHER MARKETS, INCLUDING EXISTING DATA GENERAL MARKETS.

4. J.B. STROUP, MANAGER, FINANCIAL AND PUBLIC AFFAIRS, DATA GENERAL CORPORATION, HAS REQUESTED USG ASSISTANCE IN DETERMINING THE EXTENT AND CONDITIONS OF TECHNOLOGY TRANSFER FOREIGN FIRMS MUST SUBMIT TO IN CONTRACT NEGOTIATIONS CONCERNING COMPUTER HARDWARE AND RELATED SOFTWARE SALES TO BRAZIL. ACCORDING TO STROUP COBRA INSISTED, LATE IN THE NEGOTIATIONS, THAT THE CONTRACT MUST INCLUDE TRANSFER OF THE SOFTWARE TECHNOLOGY ALONG WITH THE HARDWARE. DATA GENERAL HAS SERIOUS RESERVATIONS ON THE TRANSFER OF SOFTWARE, WHICH IS REALLY WHERE THEIR COMPETITIVE ADVANTAGE LIES.

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5. ACTION REQUESTED: FROM THE FACTS OF THE CASE AS PRESENTED, WE ASSUME THAT DATA GENERAL'S DIFFICULTIES RESULT FROM THE APPLICATION OF BRAZIL'S NORMATIVE ACT 15 OF SEPTEMBER , 1975. WE HAVE HAD CONGRESSIONAL INTEREST IN THIS MATTER HOWEVER, AND WOULD APPRECIATE YOUR ASSISTANCE IN DETERMINING A) WHETHER THE PROVISIONS OF NORMATIVE ACT 15 ARE THE PROBLEM, OR IF THE GOB APPLIES OTHER SPECIAL CONDITIONS TO COMPUTERS, AND B) WHETHER INDEED COBRA HAS CLOSED THE DOOR ON DATA GENERAL.

6. POST REPLY BY APRIL 8 WOULD BE APPRECIATED.
CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2985197
Secure: OPEN
Status: NATIVE
Subject: TECHNOLOGY TRANSFER REGULATIONS: DATA GENERAL CORPORATION
TAGS: BEXP, BR
To: RIO DE JANEIRO
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/effb39b1-c288-dd11-92da-001cc4696bcc
Review Markings:
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